

EXHIBIT 2 BUH
DATE 2-12-09
HB Discussion on Committee
B11

PROPOSED LEGISLATION

MCA 16-4-306. Beer and wine license for the Montana ExpoPark

- (1) The department of revenue shall transfer at no cost to Cascade County the retail license for on-premise beer/wine consumption at the Montana ExpoPark Four Seasons Arena.
- (2) The license is issued in recognition of the historic use of the Four Seasons Arena for on-premise consumption of beer and wine during the Montana State Fair. As owner of the public assembly facilities known as the Montana ExpoPark, Cascade County is granted ownership of the license with the understanding that it is nontransferable.

The Department of Revenue requests the above statutory addition to accommodate the transfer of beer and wine license No. 02-401-0902-302 from the City of Great Falls to Cascade County. Cascade County initially acquired the license in question for value on February 21, 1983, after a full and fair hearing before the Department of Revenue. On June 8, 1988, the City of Great Falls and Cascade County entered into an agreement for the City to operate and manage the State Fairgrounds for up to fifteen years. The liquor license was transferred to the City as part of this arrangement.

After Cascade County terminated its agreement with the City in December, 2002, Cascade County applied to transfer the ownership of the liquor license back to Cascade County. In April, 2004, the Department informed Cascade County that it was not qualified under MCA Section 16-4-401 to hold a liquor license because it is a governmental entity. Despite the hearing in 1983, the Department does not now believe that the transfer to the County, and later the City, was legally proper. Over the last several years, the County has been reluctant to allow transfer of the license to the contractor which has been managing ExpoPark because the County paid appropriate consideration for the license in 1983, and also because there was no certainty as to how long the contractor would manage ExpoPark. The County is now in the process of terminating its management agreement with the contractor in question, and will soon assume full management responsibility for the ExpoPark.

Since 2003, the Four Seasons Arena has operated under a series of Temporary Operating Authorities, while the County and Department have attempted to develop a solution to this issue. Because the County will soon be managing the ExpoPark, the County and the Department now believe that the appropriate solution is to enact special legislation that will recognize the historical, cultural and economic importance of the Montana State Fair to the State's citizenry and will allow the County to hold the license with the understanding that it will be nontransferable. The Cascade County Tavern Owners' Association and the Chamber of Commerce endorse the proposed legislation.